

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN JOHN WITT**, on February 15, 1999 at
10:07 A.M., in Room 201 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. William Crismore (R)
Rep. Dick Haines (R)
Sen. Linda Nelson (D)
Rep. Joe Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Summer Alger, Committee Secretary
Roger Lloyd, Legislative Branch
Doug Schmitz, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 2 - Dept. of Environmental Quality Budget
Executive Action: HB 2 - Dept. of Environmental Quality Budget

(tape speed began at 2.4)

HEARING ON HB 2 - DEQ BUDGET - REMEDIATION DIVISION

**Jim Stinson, Director, Natural Resource Information System (NRIS)
& MT State Library**, addressed the committee on the LFD Issue
under DP 40072 on page **C-73** of the Legislative Budget Analysis
2001 Biennium: Agency Budgets, Vol. 1, January 1999, LFD. He
commented that he just does not want House Appropriations to
decrease general fund in the State Library.

**The LBA 2001 budget book will not be referred to as an exhibit, however,
information from other sources will be noted as exhibits.*

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Doug Schmitz commented on the \$51,000/year of general fund, and **Rep. Haines** objects to anything that hurts the library's efforts on the geographic information system (GIS).

HEARING ON HB 2 - DEQ BUDGET - PERMITTING & COMPLIANCE DIVISION

Sen. John Bollinger, Billings, SD 7, addressed the issue of air quality emissions. He commented that his people are concerned about SO₂ emissions, wanting to clean up the air over Billings. He expressed concern over the staffing levels in Eastern Montana, commenting that they are too low. So, he wants some people moved from Helena out into the field where the money is collected.

Sen. Bollinger gave the committee a handout on 1997 Air Emissions and Compliance Staff, to more graphically illustrate his concern. He then asked for an language amendment to HB 2 for Eastern Montana air quality compliance activities.

EXHIBIT(jnh37a01) & **EXHIBIT(jnh37a02)**, respectively.

Sen. Keating asked **Sen. Bollinger** if the people are suffering from high levels of SO₂, to which he responded by asking what **Sen. Keating** considers a high level. **Sen. Keating** then asked what the folks, who would be moved to Eastern Montana, would do there that is not already being done. Then, as a follow up, he asked what they do that requires increased personnel, and **Sen. Bollinger** referred to the State Implementation Plan (SIP).

Sen. Keating then questioned **Sen. Bollinger** on DEQ-Compliance Staff Allocation of Exhibit 1. **Rep. Haines** asked **Sen. Bollinger** what the change would be with the new people ~ if a benefit of air quality would actually ensue, and he replied that it would decrease the workload of the existing two employees. **Rep. Haines** commented on the numbers needed in that area because it is expensive to move personnel. **Chairman Witt** asked **Sen. Bollinger** if he felt that the Helena office is over staffed, to which he replied that it is difficult to answer. **Sen. Nelson** asked for specifics on the amount of people he feels is needed.

When asked for his input, **Director Simonich** commented that given the current staffing, he does not think it wise to move staff from Helena to Billings. **Don Allen, Cenex**, sympathized with **Sen. Bollinger**, but said that he can make the same argument for 200 other programs. He also commented that with so much done using computers, etc., he does not think that an increase in personnel is totally needed. **Jan Sensibaugh** commented also, stating that emissions are digitally controlled and recorded, and, because she

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is used to dealing with the Billings Cenex Refinery, she feels the two FTE there are adequate.

Chairman Witt questioned **Sen. Bollinger** on his statement that there is not an emissions problem in Billings, wondering if the Senator is anticipating any problems. The Senator replied that, due to the topography of Billings with the rims, etc., he feels there could potentially be a SO₂ problem/violation in the future. **Director Simonich** then commented that, for any given effect on ambient standard, it is difficult to pin-down the specific source of the violation.

Chairman Witt stated that the committee will take this issue under advisement and discuss further when done with the DEQ. **Mr. Lloyd** agreed, and **Sen. Bollinger** gave the committee a copy of his testimony.

EXHIBIT(jnh37a03)

Mr. Lloyd handed out a copy of the Differences from the Executive Budget as of 2/15/99.

EXHIBIT(jnh37a04)

HEARING ON HB 2 - DEQ BUDGET - PERMITTING & COMPLIANCE DIVISION

Mr. Lloyd, upon commenting that the Permitting and Compliance Division write-up on page **C-78** of the LBA 2001 budget book is wrong, handed out a copy of the true description.

EXHIBIT(jnh37a05)

Jan Sensibaugh, Administrator, Permitting & Compliance Division, gave a brief division overview presentation, and referred to the DEQ PCD section of the DEQ overview packet (Exhibit 3, 2/9/99).

Sen. Keating commented that this division touches nearly everyone in the State, and that the committee ought to be aware of federal requirement impacts and/versus state requirements.

(end tape speed of 2.4 and begin speed of 4.8)

Ms. Sensibaugh remarked during her presentation that they are dealing with a lot of reclamation mine bond forfeitures.

Mr. Lloyd commented on page **C-78** and on Table 13 on page **C-79** of the LBA 2001 budget book. **Rep. Tropila** asked if the funding information includes bonding money. **Mr. Lloyd** then continued with his discussion of CI-75 LFD Issues and the 7 fees on pages **C-78**

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and **C-79**. He also handed out a CI-75 Subcommittee Options flowchart.

EXHIBIT (jnh37a06)

Sen. Keating asked **Mr. Lloyd** if they would have excess spending authority with no money, to which he replied yes, but they could also move that authority where there is excess money, but not enough spending authority.

Mr. Lloyd then commented on the Junk Vehicle Disposal Fee on the bottom of page **C-80** of the LBA 2001 budget book, mentioning that it is okay in the upcoming biennium.

Rep. Tropila inquired about the FTE increase, asking if it is one-time-only because of bond forfeitures. **Ms. Sensibaugh** replied that it is not at all due to the forfeitures, and also stated that the proposed budget table on page **C-78** of the LBA 2001 budget book is missing a 1.05 base FTE for the Non-Point Source program. **Mr. Lloyd** responded that it was a coding error, while **Mr. Schmitz** handed out a spreadsheet with the budgetary levels of the missing 1.05 FTE. Further committee discussion ensued.

EXHIBIT (jnh37a07)

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - PERMITTING & COMPLIANCE
DIVISION

{Tape : 1; Side : B; Approx. Time Counter : 16.3}

Motion/Vote: SEN. CRISMORE moved that THE 1.05 FTE BE PUT BACK INTO THE ADJUSTED FIGURES FOR THE BASE. SECONDED by SEN. KEATING. Motion carried unanimously.

Present Law Adjustments:

DP 1

Ms. Sensibaugh responded to the LFD Issue commenting that this is a fee increase. **Sen. Keating** asked if they would need a fee increase if they continued with consultants, to which she replied yes.

She then replied to **Rep. Haines** concern over the 36 vacant FTE's reported by **Mr. Lloyd**. They currently have 12 vacancies, and 11 are in the process of being filled within the next month.

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Sen. Keating commented that they will not have as much money if not using consultants, then asked why the committee is not hearing from subdividers, etc., on opposition to fee increases.

Sen. Keating questioned **Mr. Lloyd** on the 2 FTE's, then asked if the Subdivision lot fees also affect DP 9 and DP 10, to which **Ms. Sensibaugh** replied yes, along with DP 27.

**EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - PERMITTING & COMPLIANCE
DIVISION**

{Tape : 2; Side : A; Approx. Time Counter : 3.3}

Motion/Vote: SEN. KEATING moved that DP 1, DP 9 AND DP 10 BE ADOPTED WITH RESTRICTED SPENDING AND SUBJECT TO THE PASSAGE OF FEE INCREASES. SECONDED by SEN. CRISMORE. Motion carried 5-1 with Witt voting no.

DP 2

Ms. Sensibaugh commented that this decision package could be reduced to 2 FTE's from 3 FTE's. **Sen. Keating** inquired if SB 64 affects the compliance and technical support staff. **Director Simonich** commented also that they are willing to withdraw the request for 2 FTE's in DP 6. **Sen. Keating** then asked about the Air Compliance and Permitting staff and the 4 FTE's, and the division response was to reduce the request to 1 FTE.

Sen. Keating asked the level of increase in permit fees the division is going to shoot for. **Ms. Sensibaugh** replied \$24.43/ton. The Senator then asked to hear from the industry on the fee increase. **Don Allen** said that they have no problem with \$21.78/ton, but do not want to support the 3 FTE's. **Frank Crowley, Asarco**, concurred with **Mr. Allen**, but at \$21.78/ton and the tonnage at Asarco, it would result in a \$50,000 increase in fees.

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ADJOURNMENT

Adjournment: 12:00 A.M.

REP. JOHN WITT, Chairman

SUMMER ALGER, Secretary

JW/SA

EXHIBIT (jnh37aad)